

EXECUTIVE SUMMARY

This Executive Summary provides key information contained in the body of the Danville 2014-2022 Housing Element. Much of the data used to compile this document was taken from the 1990, 2000, and 2010 Decennial Census counts—and from various *American Community Survey* (ACS) 3- and 5-Year Estimates. It is noteworthy that, as compared to data taken from decennial census counts, the ACS data has a measurably larger margin of error. Also used was data from various ABAG *Projections* publications, data compiled by the California Department of Finance, and data compiled by the Danville Community Development Department.

Population

Danville's 2010 population was established by the 2010 Census to be 42,039 persons. The Town's population increased by 10,733 persons (a 34.3% increase) between 1990 and 2010. The Town's population is projected to increase by an additional 1,461 persons (a 3.5% increase) between 2010 and 2020, taking the population to 43,500 persons. To put these increases in context, the 1990 Census and 2010 Census indicated the population increase for the entire Tri-Valley Region was 114,344 persons (a 58.0% increase) from 1990 to 2010, taking population in the area from 197,132 to 311,476. *Projections 2013 forecasts* that the population for the Tri-Valley Region will increase by an additional 27,824 persons (an 8.9% increase) between 2010 and 2020, taking the population to 339,300 persons.

Households

The number of households is the number of occupied housing units. Danville has historically experienced a 3%+/- vacancy rate for its housing units, meaning the number of households present is 3%+/- less than the number of housing units present. The number of households in Danville was established by the 2010 Census to be 15,420 households. The number of households increased by 4,253 (a 38.1% increase) between 1990 and 2010, with the vast majority of the increase (i.e., 3,649 households – or 85.8% of the change) occurring between 1990 and 2000. *Projections 2013 forecasts* the number of households in Danville will increase by 520 households (+3.4%) between 2010 and 2020, taking the total to 15,940 households. To put these increases in context, the 1990 Census and 2010 Census indicated the increase in households for the entire Tri-Valley Region was 40,130 households (a 57.4% increase) from 1990 to 2010, taking the number of households from 69,866 to 109,996, with just over one half of the increase (i.e., 20,653 households – or 51.4%) occurring between 1990 and 2000. *Projections 2013*

forecasts the number of households in the Tri-Valley Region will increase by 10,814 households (+9.8%) between 2010 and 2020, taking the total to 120,810 households.

As a result of the Great Recession, Danville and the other cities making up the Tri-Valley Region saw a decline in the number of households after the tabulation of household in the 2010 Census. The decline resulting from the Great Recession (a result in a temporary upward spike in vacancy rates for the cities in the Region) is reflected in data from the 2006-2010 ACS, which indicates a drop from the 2010 Census totals of 245 households for Danville (a 1.6% decline) and 3,556 households for the Tri-Valley Region (a 3.2% decline).

Average household size for Danville is assumed to have declined slightly between 1990 and 2010, dropping from 2.79 persons per household to 2.74 persons per household. The vacancy rate for housing in Danville was estimated by the California Department of Finance to be 3.3% (514 units) in 2010, up from 2.1% (314 units) in 2000.

Income and Housing Costs

The 2010 Census estimated Danville's median household income to have been \$125,867. The 2007-2011 ACS estimated the median income to be \$148,013. The median household income for Contra Costa County was estimated to be \$73,039 by the 2000 Census and \$78,385 by the 2006-2010 ACS for 2010.

The 2000 median housing value for single family residential units in Danville was estimated to be \$724,950 (in 2011 dollars) by the 2010 Census. The 2007-2011 ACS estimated the median housing for single family residential units to be \$877,000, also expressed in 2011 dollars (an increase of 21.0%). The corresponding figures for Contra Costa County were \$342,630 in 2000 and \$490,200 as estimated by the 2007-2011 ACS (an increase of 43%).

Employment

Based on *Projections 2013* and the 2010 Census data, the estimated number of jobs in Danville is projected to rise from 13,460 jobs in 2010 to 15,680 jobs in 2020 (an increase of 16.5%). For comparisons, *Projections 2013* estimates that by 2020 the number of jobs in the entire Tri-Valley Region will increase by 33,950 jobs (an increase of 20.3%), taking the number of jobs in the region from 167,020 to 200,970.

The Danville area continues to be a net supplier of housing as regards the jobs-housing balance. The 2007-2011 ACS estimated there were 18,843

employed residents in the Danville in 2010 which, when compared to the estimated 13,460 local jobs, provided a ratio of 1.40 employed residents for each local job). It is anticipated that Danville will continue to supply more employed residents than there are local jobs into the immediate future. The Tri-Valley Region as a whole did not supply sufficient housing relative the number of jobs present in the area, providing 0.90 employed residents present for each local job in 2010 (i.e., 150,080 employed residents aligned with 167,020 local jobs).

As the current decade concludes, the Tri-Valley area will have experienced a 40-year conversion from bedroom community to major employment center. Total jobs in the area will have increased by more than a 412% increase (200,970 jobs projected in 2020 compared to 48,775 jobs estimated to have been present in 1980). Meanwhile, total households in the area will have increased by over 250% in the same time frame (120,810 households projected in 2020 compared to 47,081 households estimated to have been present in 1980). Total population in the area will have increased by over 230% in the time frame (339,300 persons projected in 2020 compared to 145,807 persons estimated to have been present in 1980).

Regional Housing Needs Allocation

The Regional Housing Needs Allocation (RHNA) for Danville for the 2014-2022 planning period (which looks to housing units delivered between January 1, 2014 and October 31, 2022), as assigned by ABAG, is as follows:

Very low income	196 units
Low income	111 units
Moderate Income	124 units
Subtotal	431 units
Above Moderate Income	126 units
Total Need	557 units (an average of 80 units per year)

Housing Supply and Mix

Data from the State of California Department of Finance indicates that, as of January 1, 2011, there were 15,934 housing units in Danville (counting both occupied and non-occupied units). The mix of units was estimated to be 12,067 detached single family units (75.7% of the total units); 2,900 attached single family units (18.2%); 153 of the multifamily units are in buildings with 2 to 4 units per building group (1.0%); and 797 multifamily units in buildings

with 5-plus units per building group (5.0%). A total of 514 of the Danville's units were estimated to be non-occupied units (3.3%) by the 2010 Census.

Ability to Meet Danville's Regional Housing Needs Allocation (RHNA)

With the adoption of the Danville 2030 General Plan in March, 2013, the Town determined there was sufficient infrastructure and public facilities in place and/or planned to accommodate the projected amount of residential growth through the planning period covered by the 2030 Plan (i.e., through 2030, the "horizon year" for the Plan).

To satisfy a jurisdiction's RHNA allocation, the jurisdiction must identify adequate sites to accommodate housing that is affordable to extremely low, very low, low, moderate and above moderate income households. Progress meeting the RHNA for the 2014-2022 planning period will come from several categories of residential development activity, which are summarized on Tables 35 and 36. The following provides expanded discussion of the subcategories of residential activity included on those tables.

As of January 1, 2014, the sites in Danville available for residential development (i.e., sites with land use and zoning designations in place to accommodate residential development) have a demonstrated capacity to accommodate between 875-1,075 approximately 800 and 1,000 new residential units. **(Refer to Tables 32, 33 and 34 and Figure A)**

A total of 66 net new housing units were completed in Danville during the 2014 calendar year (being net production after accounting for the loss of seven units through demolition). **(Refer to Line A of Tables 36 and 37 and Pages 25-28 of Appendix B)** The 73 new units constructed were determined to have the following household income distribution: no units for extremely low income households; seven units for very low income households; four units for low income households; eight units for moderate income households; and 54 units for above moderate income households. The 73 new units constructed are not a subset of the 800 to 1,000 unit development capacity (i.e., these units are above and beyond the cited development capacity).

As of January 1, 2014~~2015~~, there were 45~~52~~ housing units under construction ~~(net after accounting for the loss of five units through demolition)~~ and 68~~27~~ additional units that either had a building permit status of either "Issued" or "Approved" or were at an earlier stage in the building permit plan check process. **(Refer to Lines B and C of Tables 36 and 37 and Pages 25-28 and 30-34 of Appendix B)** These~~113~~79 units are projected to have the following

household income distribution upon their construction completion: no units for extremely low households; sevenno units for very low income households; ninefour units for low income households; 15eight units for moderate income households; and 8267 units for above moderate income households. The 113 units areThe 79 units are not a subset of the above-cited 875-1,075800 to 1,000 unit development capacity (i.e., these units are above and beyond the cited development capacity).

As of January 1, 20142015, 121154 additional units (being net production after accounting for the loss of eight units through anticipated demolition) had been authorized for development (i.e., had secured the requisite planning entitlements to allow development) but had not yet initiated the building permit plan check process. (Refer to Line D of Tables 35 and 36 and Page 3135 of Appendix B) These 121 unitsWhen the 162 new units are constructed, they are projected to have the following household income distribution upon their construction: no units for extremely low households; no units for very low income households; nine units for low income households; no unitsone unit for moderate income households; and 112152 units for above moderate income households. The 121 units162 new units authorized for development are a subset of the above-cited 875-1,075800 to 1,000 unit development capacity cited above.

As of January 1, 20142015, there were 4027 additional residential units (being net production after accounting for the loss of three units through anticipated demolition) linked to pending planning entitlement requests. (Refer to Line E of Tables 35 and 36 Page 3236 of Appendix B) These 40When the 30 new units are constructed, they are projected to have the following household income distribution upon their construction: no units for extremely low households; no units for very low income households; fourno units for low income households; no units for moderate income households; and 3630 units for above moderate income households. The 4030 new units are a subset of the above-cited 875-1,075800 to 1,000 unit development capacity cited above.

In addition to the projected housing production discussed above-cited subsets of units, and based on recent development trends, it is reasonable to anticipate 84 individually sponsored second units (i.e., second units on existing developed single family residential lots) will be constructed between January 1, 20142015 and the end of the 2022the 2014-2022 planning period, providing an average of twelveten and one half second dwelling units per year for the 2014-2022 planning period. Based on the anticipated sizes of these units 84 units (as extrapolated from the size of the 101 units built or under construction during the 2007-2014 planning period - refer to Appendix M - Tables M-1 and M-2), these 84 units are projected to have the following

household income distribution upon their construction: no units for extremely low households; no units for very low income households; 30 units (35% of the units) for low income households; 46 units (55% of the units) for moderate income households; and eight units (15% of the units) for above moderate households units. The 84 units are not a subset of the above-cited 875-1,075 800 to 1,000 unit development capacity (i.e., these units are above and beyond the cited development capacity).

~~Another subset of the above-cited 875-1,075 unit development capacity~~ are Additional units that can be anticipated to be developed during the planning period are units that would be constructed on existing individual lots of record available for single family development that are not included in any other total sub-category. At the time of adoption of the 2014-2022 Housing Element there were 48³² such lots. It is anticipated that a range of 16 to 19^{13 to 15} units of these lots would be developed during the 2014-2022 planning period. (Refer to Line F of Tables 35 and 36) Residential development on this subset of 16 to 19^{these 13 to 15} units is projected to have the following household income distribution upon occupancy: no units for extremely low, very low, low, or moderate income households; and 16 to 19^{13 to 15} units for above moderate income households. These 13 to 15 units are a subset of the 800 to 1,000 unit development capacity cited above.

~~An additional subset of the above-cited 875-1,075 unit development capacity~~ are the Additional units that can be anticipated to be constructed during the 2014-2022 planning period are replacement single family detached (RSFD) units anticipated to be constructed during the 2014-2022 planning period. Reflecting the rate of development of RSFD units during the 2007-2014 planning period, it is anticipated that 54⁵² RSFD units will be developed during the 2014-2022 planning period. (Refer to Line J of Tables 35 and 36) As each RSFD is associated with a corresponding demolition of an existing single family residence, the construction of RSFD units would not result in any net new residential units. All 52 projected RSFD units developed would be anticipated to serve the housing needs of above moderate income households. The 52 units are not a subset of the 800 to 1,000 unit development capacity (i.e., these units are above and beyond the cited development capacity).

After accounting for the aggregate number of anticipated units listed above that are a subset of the cited 800 to 1,000 unit development capacity (i.e., a range of 374 to 377^{205 to 207} units), there are approximately 500 to 700^{650 to 800} units of development potential remaining from the above-cited 875-1075 unit development capacity. During the course of the 2014-2022 planning period it is projected that a range of 449 to 528^{483 to 562} units of the remaining 500 to

700650 to 800 units of development capacity will be constructed. (Refer to Lines H and I of Tables 35 and 36)

Residential development of this subset of 449 to 528483 to 562 units has the capacity to have the following household income distribution upon their construction: 105 to 126 extremely low income units; 114 to 137 very low income units; 85 to 103 low income units; 6 to 7 moderate income units; and 173 to 189 above moderate income units. (Refer to Lines H and I of Table 33)

It was established through analysis contained within the Danville 2007-2014 Housing Element that the Town had a RHNA "shortfall" for the planning period. The 2007-2014 Housing Element established that Danville needed to fill a shortfall of multifamily land with minimum development densities adequate to accommodate the needs of 187 extremely low and very low income households and to fill a shortfall of multifamily land with minimum development densities adequate to accommodate the needs of 34 low income households.

In response to the identified RHNA shortfall, by way of the Town's adoption of the 2030 General Plan in March 2013, the Town designated 8.75 acres to a newly established Residential - Multifamily - High (25-30 units per acre) land use designation and designated an additional 2.0 acres to the Residential - Multifamily - High/Medium (20-25 units per acre) land use designation. The High/Medium land use designation was recalibrated by the adoption of the 2030 Plan from an 18 units per acre minimum density to a 20 units per acre minimum density to meet HCD's requirements to qualify as land suitable to accommodate the needs of low income households.

Both sites affected by these actions (i.e., the Borel/EBRPD site and the Danville Office Partners, LLC site) were subsequently rezoned by Town-initiated rezoning actions to establish the ability to develop at the cited densities as an at-right land use - a requisite step in addressing Danville's RHNA shortfall for the 2007-2014 planning period. These two sites (10.75 net acres in aggregate area) remain available for development at the time of the adoption of the 2014-2022 Housing Element and constitute the majority of the land needed to meet the extremely low and very low income components of the 2014-2022 RHNA and a measurable portion of the low income component of the 2014-2022 RHNA.

Taking all the subsets cited above into account, the aggregate residential development capacity for the 2014-2022 planning period is a range of 852 to 934888 to 969 units (with net production being in the range of 801 to 882 units after accounting for a projected 87 units lost due to demolition to accommodate new construction). As established in the above paragraphs, the development

capacity would yield the following household income distribution: 105 to 126 extremely low income units; 121 to 144 very low income units; 137 to 155 132 to 150 low income units; 67 to 68 69 to 70 moderate income units; and 489 to 508 548 to 566 above moderate income units. (Refer to **"Totals" Lines Tables 35 and 36 and Table 42 - Quantified Objective for 2014-2022 Planning Period**) After accounting for the projected demolition of 79 existing residential units during the planning period, the capacity for new units is a range of 840 to 922 net new residential units.

As shown on **Table 31**, the amount and type of land available for multifamily development, coupled with the anticipated production of second dwelling units, assures that Danville exceeds the requisite development capacity for the extremely low, very low and low income household components of Danville's 2014-2022 RHNA. Specifically, as detailed on Table 31, Danville has the development capacity for 118-138 low income units (where the current RHNA allocation for low income household need is 111 units) and has the development capacity for 219-263 very low income units (where the current RHNA allocation for very low income household need is 196 units).

Special Needs Populations

Seniors (persons ≥ 65 years in age) represented an estimated 14.4% (6,048 persons) of the Danville's 2010 population. Danville's population is aging as persons ≥ 65 in 2000 constituted 10.3% of the total population (4,300 persons) in 2010, 8.4% of the total population (2,616 persons) in 1990, and only 4.9% of the total population (1,450 persons) in 1980.

The 2011-2013 ACS estimated that 917 of all households in Danville (5.9%) were headed by a single parent. The 2007-2011 5-Year ACS estimated that while only 2.9% of Danville's households had household incomes placing them below poverty level, household incomes of 22.3% of female headed households were below poverty level and household incomes of 29.9% of female headed households with children under 18 were below poverty level.

The 2007-2011 ACS estimated that 1,525 Danville households included five or more people (9.9% of all households) - qualifying them as large family households. As a subset of this total, it was estimated there were 199 renter-occupied large family households. While large family households do not necessarily live in overcrowded or severely overcrowded conditions, the 2006-2010 ACS estimated there were 35 renter-occupied overcrowded households, 75 owner-occupied overcrowded households and 25 owner-occupied severely overcrowded households in Danville.

The 2006-2010 ACS estimated that 465 of the 2,205 renter-occupied households present at the time in Danville (21.1%) assigned between 30% and 50% of their total income to housing costs in 2010, with another 470 renter-occupied households (21.3%) estimated to be assigning over 50% of their total income to housing costs at that time. The 2006-2010 ACS estimated that 3,115 of Danville's 12,970 owner-occupied households present at the time (24.0%) assigned between 30% and 50% of their total income to housing costs in 2010, with another 2,240 owner-occupied households (17.3%) estimated to be assigning over 50% of their total income to housing costs.

Opportunities for Energy Conservation

Danville enforces California's energy regulations (i.e., Title 24 of the California Administrative Code) through its plan checking and building inspection process. Energy conservation is also addressed through the Town's environmental and development review and permitting process.

Governmental Constraints

Land slated for residential development in Danville currently carries development densities in the range of one unit per five acres to 30 units per acre. Minimum development density regulations are in place for all four of Danville's multifamily residential land use designations. Goals and policies in the 2007-2014 Housing Element led to the creation of a new multifamily residential land use designation which provides for a range of 25 - 30 units per net acre. The 2007-2014 Housing Element policies also resulted in the recalibration of existing multifamily residential land use designations in the 2030 General Plan to amend the maximum allowable density range for the Multifamily - High/Medium designation from 18 - 22 units per acre to 20 - 25 units per acre, the Multifamily - Low/Medium designation from 13 - 17 units per acre to 13 - 20 units per acre, and the Multifamily - Low designation from 7 - 12 units per acre to 8 - 13 units per acre.

The State's density bonus law, having been significantly modified in 2004 by SB1818, can be considered a voluntary inclusionary housing ordinance providing large incentives to developers who include specified amounts of affordable housing in their projects. SB1818 requires cities and counties to grant developers both density bonuses of 20 to 35 percent, depending on the amount and type of affordable housing provided, and "concessions" - exceptions from normally applicable zoning and other development standards.

Qualifying projects would be projects of five or more units where at least one of the following occupancy characteristics is present: a minimum of 5 percent of the units are for very low income households; a minimum of 10 percent of the units are for low income households; a minimum of 10 percent of the units are for moderate income households and the project is a qualifying common interest, for-sale project; or 100 percent of the units are in a senior citizen project (with no corresponding standard for affordability).

A variety of development impact fees are assessed upon new residential projects, including both Town-controlled fees (such as child care fees and park land in-lieu fees) and fees not controlled by the Town (such as regional traffic mitigation fees and school impact fees). Another component of project costs is utility service connection fees (e.g., sewer and water connection fees).

Town-controlled development and impact fees contribute approximately \$33,000 to the development cost for each new single family unit, \$14,750 per apartment unit and \$3,425 per second dwelling unit. Development and impact fees imposed by agencies other than Danville contribute approximately \$57,400 to the development cost for each new single family unit, \$31,250 per apartment unit and \$15,750 per second dwelling unit. The estimated combined per-unit totals of development and impact fees are \$90,250 per new single family unit, \$46,000 per apartment unit, and \$18,000 per second dwelling unit. (Refer to Tables 28, 29 and 30)

To put these costs in context, the Draft Contra Costa County 2014-2022 Housing Element estimates the per-unit range of planning and processing fees for a typical single-family residence in the unincorporated area to range from \$48,000 to \$88,500. The estimated per-unit range of planning and processing fees for a for-rent project (the County analysis was for a 25-unit multifamily complex) was estimated to be in the range of \$22,750 to \$45,000 per apartment unit.

Development standards and permit procedures are not a significant constraint to housing development in Danville as they are comparable with the standards and procedures of other jurisdictions in the region.

Non-Governmental Constraints

High land values and construction costs continue to constrain the development of affordable housing in Danville and the region. A comparative reduction of sites that are available for residential development has become a constraint as the Town moves towards a built out condition.

Community opposition to projects pursuing medium to high density multifamily housing has been expressed when development is proposed adjoining, or within, established single family neighborhoods.

Housing Goals, Policies, and Implementation Measures

The following goals will serve to direct Danville's actions relative its housing efforts. Each goal matched with supporting policies and implementation measures.

- GOAL 1 Increase the supply of housing with a priority on the development of affordable housing, including housing affordable to lower income households.
- GOAL 2 Improve housing affordability for both renters and homeowners.
- GOAL 3 Increase the supply of appropriate supportive housing for special needs populations.
- GOAL 4 Maintain and improve the quality of existing housing stock and residential neighborhoods.
- GOAL 5 Mitigate governmental constraints to housing development and affordability.
- GOAL 6 Promote equal opportunity for all residents to reside in the housing of their choice.
- GOAL 7 Preserve the existing affordable housing stock in Danville.